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March 25, 2008

Richard Keller
Senior Officer for Scientific & Medical Research Facilities
California Institute for Regenerative Medicine
210 King Street
San Francisco, CA 94107

Dear Mr. Keller:

This is our response to the CIRM staff analysis dated March 20, 2008. First of all, we wish to thank the CIRM staff not only for their analysis, but also for their straight forward help and guidance during the preparation of our application. We also wish to offer the following corrections and clarifications:

1. *Proposal.* In the staff analysis, on page one, it states that the facility will house three research teams of which two will be new to the institution. Actually, the facility will house three new appointments: the Garland endowed chair, the Mellichamp endowed chair, and Professor James Thomson, who will transition from an adjunct affiliation to a new, 20% FTE appointment.
2. *Value.* The CIRM cost per PI is higher than the other two projects in this category because of several factors. First, we propose to house two senior, established PI's who will occupy endowed chairs. As explained in our application, we anticipate that these PI's will require more space than junior faculty, since they will have larger research groups. Second, the nature of our CIRM major facility differs from the shared use facility proposed by another project in this category, which had a much lower cost per PI.

The CIRM analysis comments that the group 2 equipment to be purchased is lower than the average for special program applicants. As stated in the analysis, additional equipment will be moved from other locations and purchased when the laboratories are completed and specific individuals are recruited. We felt it was not prudent to specify what equipment will be purchased at this point in time, because recruitment is still underway. Senior established investigators will likely be able to bring substantial equipment with them, and we cannot predict with

assurance what their specific equipment needs will be. It may lessen our ability to recruit if we furnish the laboratory without input from the candidates.

3. *Sustainability and innovation.* As stated in the analysis, this project is a renovation of existing space, and is therefore different from some of the other projects in this category. Although it is difficult to achieve a high LEED level on renovations, our preliminary analysis and past experience has shown that LEED certification can be achieved. The UCSB campus has an established record of success on this front. The campus has set a goal of achieving at least a silver LEEDs rating on all new buildings, and attempting to achieve a similar rating on all building renovation projects.
4. *Leverage.* As mentioned above, we felt it was not prudent to specify additional group 2 equipment at this point in time. Actual dollar values for group 2 equipment will certainly be higher when new faculty members bring their existing equipment and purchase new equipment with startup funds. Thus, the leverage reported is sure to be an underestimate of the actual contribution of the University.
5. *Functionality.* The staff analysis states that “the logistics for completing the work will be more difficult than for the other CIRM special program proposals because it involves remodeling blocks of space that are dispersed, rather than contiguous. However, as we stated in the application, most of the space is contiguous, vacant, near exhaust shafts, and can be easily sectioned and phased. Our construction team has ample experience in dealing with similar and even more complex renovation projects.

Please let us know if you need further information from us.

Sincerely,



Gene Lucas
Executive Vice Chancellor